

Message Text

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ACTION EB-08

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CIAE-00 DODE-00 FPC-01 H-01 INR-07 INT-05 L-03

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E.O. 11652: N/A

TAGS: ENRG, EWWT, EGEN, TECH, UR, BE, US

SUBJECT: ESSOCHEM IMPEX SINGS "COOPERATION AGREEMENTS" WITH SCST
AND MINISTRY OF OIL REFINING AND PETROCHEMICALS

SUMMARY: ESSOCHEM IMPEX, THE ESSO CHEMICALS DIVISION
AFFILIATE IN BELGIUM, SIGNED A STANDARD "COOPERATION
AGREEMENT" WITH THE SOVIET STATE COMMITTEE ON SCIENCE AND
TECHNOLOGY (SCST) AND A SEPARATE AGREEMENT WITH THE SOVIET
MINISTRY OF PETROLEUM RIFINING AND PETROCHEMICAL INDUSTRY
IN MOSCOW, MARCH 18. IN HIS COMMENTARY FOLLOWING THE
SIGNING SCST DEPUTY CHAIRMAN DZHERMAN GVISHIANI (PREMIER
KOSYGIN'S SON-IN-LAW) PUT IN A PLUG FOR THE SOVIET PRO-
POSED "ALL-EUROPEAN CONGRESS ON ENERGY" AND EVEN HAD SOME
KIND WORDS - OFF THE RECORD - FOR "MULTI-NATIONAL CORPORA-
TIONS". END SUMMARY.

1. THE AGREEMENTS WERE SIGNED ON BEHALF OF ESSOCHEM
IMPEX BY T.J. INNES, THE BELGIAN-BASED PRESIDENT OF
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ESSOCHEM EUROPE, INC. INNES TOLD THE E/C COUNSELOR
SUBSEQUENTLY THAT THE AGREEMENTS COME AS A CONSEQUENCE
OF ABOUT FIVE YEARS ACTIVITY, DURING WHICH ESSOCHEM
SALES TO THE SOVIET UNION HAVE RISEN FROM ONE TO
THIRTEEN MILLION DOLLARS ANNUALLY. HE ANTICIPATED
AN EVEN BETTER YEAR IN 1977. INNES EXPLAINED THAT
SIGNATURE OF THE AGREEMENTS HAD BEEN HELD UP

THREE OR FOUR MONTHS BY SOVIET INSISTENCE THAT THE ESSO TECHNOLOGY INVOLVED SHOULD BE FOR PRODUCTION. ESSO WAS WILLING TO MAKE AVAILABLE TECHNOLOGY ONLY FOR THE APPLICATION OF ITS PRODUCTS, NOT FOR PRODUCTION OF COMPETITION, ACCORDING TO INNES, AND IT WAS ON THOSE TERMS THAT THE AGREEMENT WAS SIGNED. INNES STATED THAT THE AGREEMENT WITH THE MINISTRY OF PETROLEUM RIFINING AND PETROCHEMICALS IS MORE DETAILED AND SPECIFIC THAN THE FRAMEWORK AGREEMENT WITH THE SCST. ALTHOUGH AT PRESENT NOTHING MORE THAN SOME TRAINING OF TECHNICAL PERSONNEL IS FORESEEN.

2. DURING DISCUSSION AFTER SIGNING ON BEHALF OF THE SCST, DEPUTY CHAIRMAN GVISHIANI MENTIONED A NEED FOR GREATER COORDINATION IN THE ENERGY FIELD. INNES COMMENTED THAT OPEC PRICE CHANGES FOR OIL HAD BEEN ONE OF THE MOST SIGNIFICANT ECONOMIC EVENTS IN POSTWAR HISTORY. WITHOUT REFERRING TO THE ACTIVITIES OF THE INTERNATIONAL ENERGY AGENCY, GVISHIANI SAID THAT THE SOVIET PROPOSAL FOR AN ALL-EUROPEAN CONGRESS ON ENERGY WAS THE FIRST ATTEMPT TO DISCUSS IN A BROAD FRAMEWORK, A PROBLEM WHICH AFFECTS A LARGE NUMBER OF COUNTRIES. HE ACKNOWLEDGED E/C COUNSELOR'S COMMENT THAT THIS NUMBER INCLUDED EAST EUROPEAN CONSUMERS OF OIL, BUT DECLINED THE OPPORTUNITY TO DEVELOP THIS THEME.

3. GVISHIANI, WITH REFERENCE TO FACT THAT BOTH BELFIAN AND US EMBASSIES WERE PRESENT AT SIGNATURE, EVEN HAD A FEW POSITIV WORDS TO SAY ABOUT "MULTI-NATIONAL CORPORATIONS".

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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To: STATE BRUSSELS
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